

OUR SLUMBERING PRESS CORPS

(Mr. GROTHMAN asked and was given permission to address the House for 1 minute.)

Mr. GROTHMAN. Mr. Speaker, the talk of everyone back home is over inflation. I want to give the press corps something to do. We are told the current inflation rate is 8.2 percent, the highest it has been in 40 years. I believe the number is higher than that.

They claim that the cost of rent or the cost to buy a house has gone up 5.2 percent. I have talked to builders in which the cost of identical homes has gone up 30 percent.

Interest rates have gone up from 2.5 to 4.5 percent. I know somebody who is looking to perhaps flip a house that has gone up 20 percent.

I would like the press corps in this country to look for examples of housing that has only gone up 5.2 percent.

The other thing I would like them to look up is used cars have gone up 16 percent. I have talked to car dealers, and they tell me the price of used cars has gone up 25 to 35 percent.

So I beg the somewhat slumbering press corps to look into this and see whether our leg is being pulled by the claim that the CPI is only up 8.2 percent.

□ 1845

EFFECTS OF INFLATION

The SPEAKER pro tempore (Mr. JONES). Under the Speaker's announced policy of January 4, 2021, the gentleman from Arizona (Mr. SCHWEIKERT) is recognized for 60 minutes as the designee of the minority leader.

Mr. SCHWEIKERT. Mr. Speaker, we are going to try to do a continuation on a theme. Last week, I came to the floor and sort of walked through what inflation was doing to seniors. Today, I am going to try to walk through what it is doing to the poor, the working poor, the middle class, all of society.

One of the difficult things I am going to do, and I know it is somewhat rhetorical, is ask my brothers and sisters on the left: Are you happy with what you have accomplished?

Democrats took, functionally, power here 15 months ago. They had the House, the Senate, and they took the White House. And we got to see the playbook.

This is important because we often are so busy chasing shiny objects here, we never sort of talk about some of the economic differences and the way the left and those of us on the right view the world.

The left sort of believes in this model of consumption. Send people checks, and they will go buy stuff and, somehow, that will make society utopian. Of course, it also sets off really bad societal problems like: "Hey, I have money. I don't have to participate in society and the economy." "Hey, I have money. Let's just go buy stuff today," and it sets off inflation.

Those of us who actually showed up to our economics classes, we believe in this concept—it is often referred to as supply side. It is much more complicated. That is productivity in a society, when you are going to pay someone more money, when a worker is paid more money, it is, functionally, from two things: inflation, which doesn't mean they got anywhere. As a matter of fact, when you raise someone's salary because of inflation, they are often always behind the curve.

The second part is productivity. There was investment in plants and equipment to be more productive, to have that newest, best, functional product. That is a supply-side model. That is, functionally, what we accomplished in tax reform.

The other challenge I will give to our friends on the Democrat side is, take a look at our couple of years when we did regulatory reform, when we did tax reform, 2018, 2019. The middle class got much wealthier. Income inequality shrank. Food insecurity shrank. Minority populations had their best economic period in the modern economic time.

I would visit the homeless shelter in downtown Phoenix, and St. Joseph the Worker had a list of businesses that were desperate for anyone who would just show up.

Now, the contrast: The Democrats took over, and, functionally, 15 months ago, they moved \$1.9 trillion of spending. I have been to the floor multiple times. I have shown you all the charts saying, isn't it fascinating that almost on the day you did this, you can actually see actual, functional, price changes in the wholesale markets? You can actually see the curve going: Hey, they passed a bill; there is inflation.

Now, some of that is not completely fair because some of it was actually already built into the policy sets the Democrats had adopted.

When they blew up the capital stack, meaning when the Biden administration took over, and they had a compliant Democrat Congress and a Democrat Senate and, particularly, the left controlling the House of Representatives, when they threatened capital markets for investing in hydrocarbons, when they threatened capital markets for investing in the transportation of hydrocarbons, moving natural gas—oh, you are going to build a pipeline. We are going to do everything so that you have to report to the SEC. We are going to basically make it so the companies, the investors in this, have to do documentation of their environmental scores.

You wonder why September a year ago you actually looked at the futures markets and saw it was already beginning—natural gas, crude prices. So, the horrible prices you are paying today at the pump, it is not because of the Russian invasion of Ukraine. That just moved it forward. This was already built into the Democrats' policy set.

Let's actually focus on something that is the derivative, that is the next

level over from last week's. Last week, we focused substantially on what the left's policies were going to do to seniors, how many of them will be in poverty a decade from now because of inflation today.

But let's actually sort of talk through inflation through the economy because my fear is we do the headline discussion. Hey, did you see the number last week? It was 8.6. My community, it is 11 something. I happen to live in number one or number two, the Scottsdale-Phoenix area, inflation in the Nation.

But what does it actually mean? It is much more than the little number you saw saying, "Hey, last month it was this." It is: What did it do to your retirement a decade from now? What did it do to your kids' and your grandkids' ability to ever purchase a house, to ever build up savings, when every single day their savings become worth less?

There is a reason inflation is the bogeyman. It is because it functionally is government. You have a government with debt the size of our economy, and we are out there taxing all of you. Whether you understand it or not, that is the scam of inflation. This is what the Democrats have set up.

Every single day, your savings becomes less, but also, the value of that massive debt the United States has becomes less because we are transferring your wealth. We are, functionally, devaluing your savings and then devaluing our debt because it is being paid for by inflated dollars.

I don't believe it is purposeful, but now that they have set it off, I promise you, there are economists in this government who basically look the other way and say let it run this way for a couple of years.

Think about it. The actual value of the debt, in constant dollars, stays the same, but—well, excuse me. It decreases because the dollar value has changed dramatically.

It is cruel. It is crushing. And the economic violence that the Democrats' failure to understand basic economics has done to the poor, the working poor, the middle class—please, just stop hurting people. It is math.

Let's take a look at this. We all got the May number, and we saw the price increases, the PCE. But when you started to look at the Consumer Price Index, 8.6—now, do you happen to remember before May, April, March, "Oh, we have hit peak inflation." That is absolute crap.

Structurally, how many of you have actually looked at the gas pump this month? Have you seen where gas prices are? Put that as a factor in the inflation and tell me that prices are going down, that prices have stabilized.

There is an argument out there that we have hit a plateau. It just happens to be an outrageously high plateau. I don't see it yet.

We are in, functionally, what you call a wage-price spiral right now. I